

Banks-1925.

Alabama.

**SOUTHSIDE BANK IS MAKING
PROGRESS; THE PEOPLE ARE
PROUD OF THE NEW EN-
TERPRISE**

White Bank

Another evidence of the growing business of the Southside district is shown in the wonderful progress being made by the Southside Banking Company. For a long time this particular section of the city felt the need of a bank to meet its growing business demands, but it was not until the idea fell upon the minds of such men as Mr. John W. Maynor, John D. Elliott and their associates, that such an accomplishment was brought to pass. Thus the Southside Banking Company was organized as a state bank, June 9, 1924. Mr. John W. Maynor as president and Mr. John D. Elliott as vice president and cashier.

Birmingham
On July 22, 1925, Mr. Maynor was succeeded by Mr. G. B. Hollingsworth, of Bessemer, Ala., who purchased Mr. Maynor's interest and assumed the presidency. Mr. Hollingsworth is a man of 17 years banking experience, having organized the United Savings Bank of Bessemer in 1914, which absorbed the Bessemer State Bank in 1916 and in 1921 this bank was converted into the City National Bank. He served as cashier of the City National Bank of Bessemer, from which he severed his connection to take charge of Southside Banking Company of this city. The directors of this institution are as follows: Mr. John W. Maynor, former president; Mr. J. A. Boatrite, of Lynch Jewelry Co.; Mr. Sam Jones, of Drennen Motor Co.; Mr. J. H. McCulla, of McCulla-Tyler Bakeries; Mr. Chas. J. Reed, who operates a drug store on Avenue G.; Major John D. Elliott, Mr. Walter W. Brower, of Londen, Yancey and Brower, and Mr. G. B. Hollingsworth.

Banks-1925.

D.C.

Prudential Bank Elects New Board

On Tuesday, January 13th the Stockholders of The Prudential Bank held their annual meeting. Reports were read showing the progress of the bank. The stockholders were particularly pleased at the showing made. The bank opened for business July 23, 1923 and since that time it has made greater progress than any bank owned and operated by our people throughout the country.

It is also interesting to note that this bank has taken every precaution against loss. It carries a heavy indemnity Bond, which covers every employee and officer and in addition it carries an equally heavy burglar and hold-up insurance.

Mr. S. W. Rutherford, president of the National Benefit Life Insurance Company and Dr. William H. Wilson, a well known practicing physician, were added to the directorate. The following shareholders will constitute the Board of Directors for the ensuing year. C. W. Banton, W. L. Board, James A. Cobb, A. M. Curtis, J. Dowling, E. G. Evans, M. M. Harris, John R. Hawkins, E. S. Heywood, Allen F. Jackson, J. Hayden Johnson, L. Melendcz King, M. S. Keonce, F. Morris Murray, Harry S. Pope, Peter W. Price, George A. Robinson, George W. Robinson, Louie A. Schenck, A. N. Scurlock, Wm. H. Thompson, Thomas Walker, S. W. Rutherford, Wm. H. Wilson and Garnet C. Wilkinson.

Prominent Men Sued For Corporation Accounting

WASHINGTON, D. C., Oct. 15.—A bill calling upon Dr. Emmett J. Scott, Prof. John R. Hawkins and Dr. A. M. Curtis, officers of the Allied Industrial Finance Corporation, for an accounting of all receipts and expenditures of the corporation since its existence, was filed in the District Supreme Court today.

Atty. J. Franklin Wilson, representing stockholders in the corporation, who allege that they received no authentic information as to the dissolution of the corporation which is alleged to have taken place by the stockholders January 31, 1925. The plaintiff of record is George F. Hatton, 1144 19th street, N. W.

The bill calling for an accounting alleges that the defendants in the suit—Emmett J. Scott, Dr. A. M. Curtis and John R. Hawkins—"arranged and planned to dissolve the corporation and distribute the funds of the said corporation without a meeting, in due form, according to law and according to the by-laws of the corporation, duly called and held with proper notice to all the stockholders, to authorize said dissolution and distribution."

Dividends Paid From Capital Stock, Says Bill

The bill of complaint also alleges that large sums of money were expended in commissions and other charges, "the nature and amount of which your plaintiff has not been able to learn," and that moneys have been paid out which purported to be dividends from earnings, but were in fact, a part of the capital. The bill of complaint asks for an accounting by the defendants, and asks that the court enjoin the defendants from disbursing or disposing of any corporate funds until said accounting is made.

The specific charges in the bill are as follows:

That your plaintiff is informed, believes and upon such belief avers that the defendants and each of them have failed, omitted, neglected, refused and declined to make and render a full and complete accounting of their acts as agents and officers of said corporation; that the defendants have refused, failed, declined and omitted and still refuse and decline to give to this plaintiff, information as to the condition of the af-

fairs of said corporation, and the said business by them conducted in the name of the corporation.

That your plaintiff is informed, believes and upon such belief avers, that the defendants herein named have arranged and planned to dissolve the corporation and distribute the funds of said corporation without a meeting, in due form according to law and according to the by-laws of the corporation, duly called and held with proper notice to all the stockholders, to authorize said dissolution and distribution.

That your plaintiff is informed, believes and upon such belief, avers that the defendants and all or some of them have paid out large sums in commissions and other charges, the nature and amount of which your plaintiff has not been able to learn; that the defendants and all or some of them have paid out moneys, purporting the same to be dividends from the earnings of the corporation, when the said sum or sums was a part of the capital stock paid into said company; that therefore, your plaintiff being without remedy within the corporation, has been forced to file this bill of complaint in this court for proper relief.

The Allied Industrial Finance Corporation was incorporated under the laws of Delaware with an authorized capital stock of three and three-quarter million dollars. The officers were Emmett J. Scott, Washington, D. C., president; A. M. Curtis, M. D., Washington, D. C., vice president; John R. Hawkins, Washington, D. C., treasurer; Norman L. McGhee, Washington, D. C., secretary; Whitefield McKinlay, Washington, D. C., chairman of the board; Michael O. Dumas, M. D., Washington, D. C.; S. W. Green, New Orleans, La.; S. G. Elbert, M. D., Wilmington, Del.; J. B. Stubbs, M. D., Wilmington, Del.; A. B. Jackson, M. D., Washington, D. C.; Richard M. Fowler, Jr., M. D., Atlantic City, N. J.; T. H. Kiah, Princess Anne, Md.; Frank W. Coleman, Washington, D. C., and George E. Cannon, M. D., deceased, Jersey City, N. J.

Counsel—James A. Cobb, Washington, D. C., formerly assistant United States district attorney.

The company is said to have first struck snags when two white companies, who had successively been employed to sell the stock of the company, failed to make good their promises to dispose of the offering. The dissolution, which the com-

plaintant questions in his bill, was said to have been done at the annual meeting of the stockholders of the corporation held at the company offices, 715 Florida avenue, N. W., January 31, 1925.

Shortage of \$26,581.03

Is Owed Principally By White Borrowers and the Bank Officials

In the first and preliminary report of the receivers of the defunct Union Laborers Bank, which closed its doors August 16, 1924, it is recommended that suits against the partners, trustees and shareholders be prosecuted to recover from them personally money due to depositors and creditors of the bank.

The report, which was filed in the Supreme Court of the District of Columbia this week, was prepared by Charles H. Hobson, one of the receivers. It contains a complete outline of the history of this banking business from its organization until it failed to open business.

The report concludes that the receivers are convinced after a thorough investigation of the resources of the bank, which consist largely of worthless paper, that very little can be expected to be realized from the assets. They say that they are of the opinion that the only chance for the depositors and creditors to be paid in full is for a suit to be prosecuted against the shareholders and trustees to hold them personally liable for all the debts of the bank.

In the event that personal liability of the shareholders and trustees should be established, they suggest that they be required to come into court and satisfy immediately the claims of depositors and other creditors. They would then surrender to them all of the records and negotiable paper in their hands, so that they may collect what they can from debtors. They feel that it would be inequitable to

await the outcome of collection suits against debtors, which would probably eat up in expenses all that would be ultimately collected.

No Pilfering
"Your receivers have discovered no pilfering by any officers of the bank," they advise the court. "Their mistakes are chiefly those of ignorance and are based upon a misconception of the nature of banking deposits, which is wholly erroneous."

They also report that in the conduct of the business, which was intended to be a Negro business, financed by Negroes, managed and operated by Negroes for the benefit of Negroes, the largest and most insecure loans made were to white borrowers. They say that of the total of \$26,581.03 of negotiable paper in their possession, a total of \$9,424.51 is for obligations of white debtors, and \$6,957.46 is for obligations of officers, employees or agents of the bank.

The bank was first operated as a partnership in the nature of a joint stock company. On September 13, 1922, a declaration of trust was made and entered into by and between James H. W. Howard, J. Finley Wilson, John A. Edwards, Thomas C. Smith and Dr. Robert T. Nelson, whereby they declared themselves trustees to hold and manage the business, and they transferred to themselves the assets of the business.

Against this trustee organization,

the receivers find that there must be charged the following bad paper of the directors or officers, which has been found by them and apparently never paid:

Note made by James H. W. Howard, June 1, 1922, for \$20; note made by Dr. R. T. Nelson, June 8, 1922, for \$990; notes made by J. Finley Wilson to self and endorsed in blank, June 20, 1922, and due in installments, \$540, and note made by John A. Edwards to self, undated, August 5, 1922, due in 60 days, \$170; total, \$1,720.

The receivers report that beginning with the formation of the business under the declaration of trust, when the entire active charge of the business was placed in the hands of James W. H. Howard, the business went from bad to worse. "Without knowledge of the banking business," they say, "he proceeded recklessly to expand his operations."

The Union Laborers Realty and Mortgage Company was incorporated September 23, 1922, under the laws of the District of Columbia. The officers of the bank were chiefly the officers of this concern. Mr. Howard was its president with Horatio C. Sykes for a large part of the time its manager. The receivers report that the resources of the bank were used recklessly to finance the operations of the realty concern, and they list the following negotiable instruments as being in their possession and classed generally as hopeless debts:

Note made by Annie E. Hopkins, 1761 Sixth Street, Northwest, to Dorothy E. Snowden, an employee of the bank, for \$276.24, dated February 14, 1921, 90 days, endorsed by Dorothy E. Snowden and the Union Laborers Realty and Mortgage Company; note by Union Laborers Realty and Mortgage Company to Union Laborers Bank, Feb. 28, 1923, 90 days, \$505.31; a similar note for \$1,000; note by H. C. Sykes to Union Laborers Realty and Mortgage Company, June 23, 1923, 60 days, endorsed by N. S. Reynolds and discounted by the bank, amount \$75; note of Union Realty and Mortgage Company to Union Laborers Bank, March 24, 1924, 30 days, \$114.25; note of Union Laborers Realty and Mortgage Company to James W. H. Howard, Jr., June 3, 1924, due July 3, 1924, \$15; note of H. C. Sykes to Union Laborers Realty

and Mortgage Company, Sept. 26, 1923, 30 days, endorsed by N. S. Reynolds, \$75; note of N. S. Reynolds to Union Laborers Realty and Mortgage Company, May 23, 1923, due on demand, \$125, and note of W. R. Reynolds, cashier of the bank, to Union Laborers Realty and Mortgage Company, September 17, 1923, 60 days, endorsed by Beatrice Jones Reynolds.

Xmas Savings Bring Cash

The receivers in their report declare that the banking business ran into definite financial difficulties in December, 1923, when it became time to pay off Christmas savings accounts. They find evidence to this effect in a transaction in January, 1924, when the Imperial Council, A. E. A. O. N., a depositor, had occasion to forward a certified check to Chicago for \$2,500. The bank was unable to honor this check upon presentment, they say, and some delay and difficulties were experienced before the matter was finally settled.

"From this time on the bank never recovered," they report "and it was only a question of how long the closing could be delayed. In this respect the officers of the bank are most severely to be condemned for continuing operations, soliciting new accounts, attempting to sink further capital into the business, all the while fraudulently leading the general public to believe that the bank was in sound condition.

"The trustees even went so far as to hold a Booster Meeting at the Vermont Avenue Baptist Church in June, 1924, for the purpose of encouraging new subscriptions and accounts.

"Mr. Howard personally continued to receive deposits up to and including August 12, 1924, when he had been refusing and holding off on payments of checks drawn on deposits since at least August 1, 1924. For this there can be no excuse even on the ground of ignorance."

The court appointed Charles H. Houston and August W. Gray receivers on December 5, last.

The Citizens Trust Company Takes Over the Remaining Assets of Atlanta State Savings Bank

The Atlanta State Savings Bank failed February 13, 1922, and since the day of failure, the bank's assets have been in the hands of liquidating agents under the superintendency of a banking department. At the time of the close of the bank, it had approximately \$300,000 in liabilities, a great quantity of which were deposits. The banking department has handled the assets of the defunct bank as wisely and economically as could be reasonably expected under the circumstances. During the three years the bank has been in a state of liquidation, the depositors have received only one dividend of 5 per cent. A few days ago, the officers of the Citizens Trust Company took over the remaining assets of the defunct bank for the purpose of completing the liquidation, and paying to the depositors the greatest amount possible from the remaining assets. The amount of assets taken over by the Citizens Trust Company were \$32,500.00. The bank is proceeding as fast as possible to realize on these assets for the benefit of the depositors. The work of the Trust Company is very largely one of service; not an effort to make any money for the bank, but an unselfish effort to restore confidence in the race's ability to do a banking business, and to handle the economic affairs of the race accurately and profitably like other races, clear up defunct banks and take care of depositors' interest.

We have gone over, very closely and carefully, the assets of the bank taken over by the Trust Company from the liquidating agents, and it appears to us that the work of the Trust Company will be one of service, one of patriotism, more so than a financial investment. If the state could not pay but 5 per cent in three years with \$300,000 of assets with which to meet the bank's liabilities, it will be almost a miracle for the Trust Company to pay 10 per cent within sixty or ninety days. But from our own intimate knowledge of the situation, if those who owe the bank will check in and arrange new papers to cover their old obligations that the Trust Company may realize on, it will be an easy matter for the Trust Company to pay the 10 per cent dividend to the depositors within the anticipated time.

The officers of the Citizens Trust Company are experienced men, who are used to handling doubtful papers, and are much closer to those who owe the defunct bank than the liquidating agents were. And The Independent is of the opinion that by reason of their experience and willingness to help out a situation that the lives of all our banks depend upon (confidence), the bank will be able to realize its dream—10 per cent to all depositors within ninety days at the outside.

The bank has bought these assets from the liquidating agents outright, and without recourse, and the bank must make good to keep from losing money. Therefore the dividend referred to above is reasonably assured, for if the Trust Company does not sell the securities taken over from the defunct bank, it will have to pay over to the liquidating agents the cost of the assets taken over.

The above statement issued by The Independent, has been examined, approved and verified by the Board of Directors of the Citizens Trust Company as follows:

D. A. WILLISTON
W. F. BODDIE
H. M. HOLMES
A. M. WILKINS

C. J. CALLAWAY
C. S. COX
D. W. WILKINSON

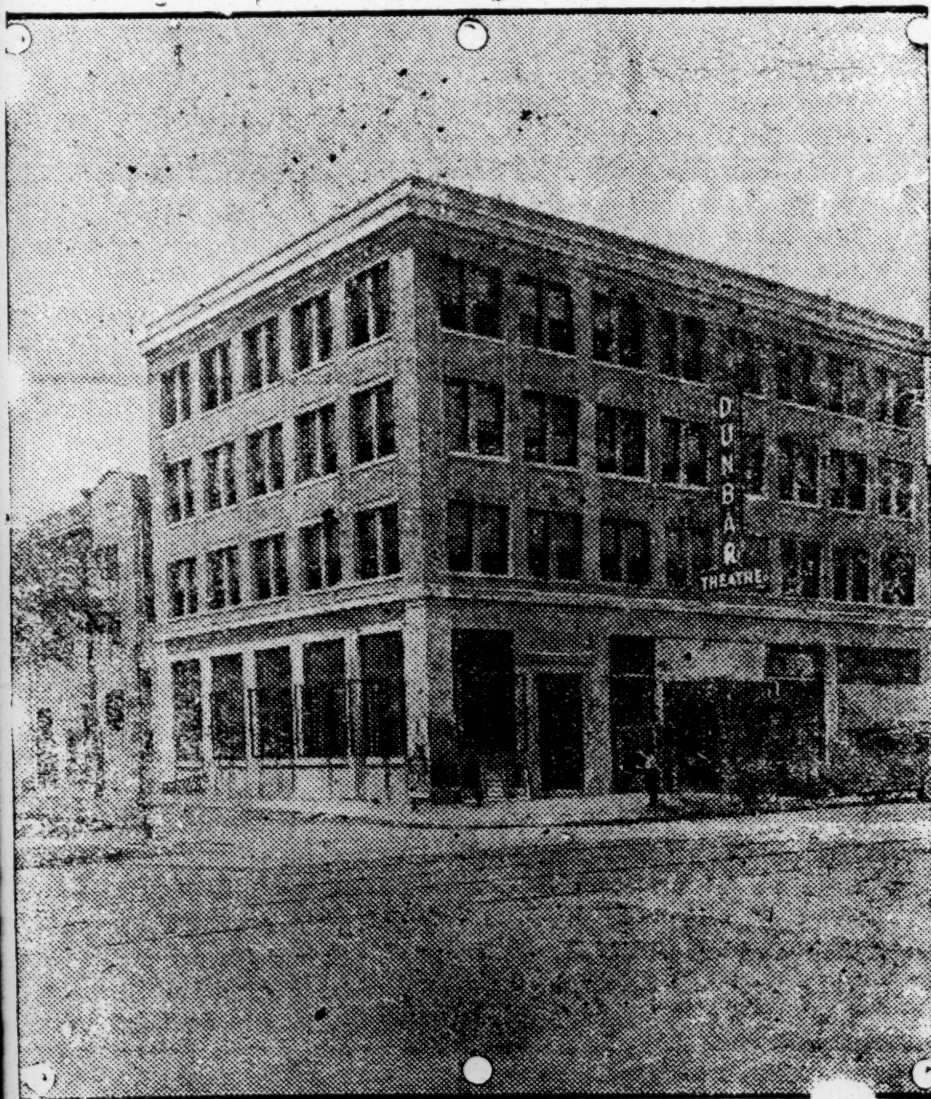
Georgia.

Of Condition of the

CORPORATION

At the close of business September 30, 1924

AUTHORIZED CAPITAL \$250,000.00



**COMPARATIVE STATEMENT OF CONDITION OF
SAVANNAH SAVINGS AND REAL ESTATE
CORPORATION
September 29, 1923**

ASSETS

Loans Outstanding	\$185,063.07
Real Estate Owned	225,217.70
Stocks and Bonds	21,394.37
Stock Subscriptions Receivable	3,271.56
Furniture and Fixtures	8,773.99
Cash on Hand	18,229.03

TOTAL.....**\$461,949.72**

LIABILITIES

Capital Stock Subscriptions	\$103,040.00
Deposits	276,279.55
Dividends Unpaid	234.79
Loan on Banking House	70,000.00
Bills Payable	1,800.00
Notes Re-discounted	NONE
Surplus	10,595.38

TOTAL.....**\$461,949.72**

September 30th, 1924.

ASSETS

Loans Outstanding	\$186,122.50
Real Estate Owned	282,956.06
Stock Subscriptions Unpaid	3,175.90
Stocks and Bonds	21,609.01
Furniture and Fixtures	8,773.99
Cash	10,135.06

TOTAL\$512,772.52

LIABILITIES

Capital Stock Subscriptions	\$103,280.00
Deposits	282,631.25
Dividends Unpaid	458.64
Loans on Banking House	70,000.00
Bills Payable	51,800.00
Surplus	4,602.63

TOTAL\$512,772.52

COMPARATIVE STATEMENT OF GROWTH OF COMPANY

Commenced Business, October, 1915.....	\$ 1,000.00
Total Assets, June 30, 1916.....	21,413.24
Total Assets, June 30, 1917.....	42,457.40
Total Assets, June 30, 1918.....	71,260.27
Total Assets, June 30, 1919.....	199,230.10
Total Assets, June 30, 1920.....	285,756.15
Total Assets, July 2, 1921.....	408,381.94
Total Assets, June 30, 1922.....	425,932.15
Total Assets, Sept 29, 1923.....	\$461,949.72
Total Assets, Sept. 30, 1924	512,772.52

SAVINGS DEPARTMENT

In our Savings Department Five Per Cent. Interest per annum is payable quarterly on all deposits, and if not withdrawn is credited to the various accounts and the interest compounded.

DEPOSITS are solicited from individuals, firms, corporations, churches, lodges and clubs, and any business entrusted to

CERTIFICATES OF DEPOSITS are also issued for \$100.00 or more.

larger amounts, on which interest is paid at the rate of **SIX PER CENT.** per annum. All deposits are amply secured by real estate loans on property located in the city and a deposit from you may assist a worthy family to secure a home.

Stock can be purchased in the Corporation at **Fifteen Dollars** per share and terms may be arranged. Purchase a few shares and be interested financially in the strongest financial institution in Savannah, Georgia.

WAYCROSS, Ga., May 7.—Carlton Jones and O. R. Gable, negroes, former officials of the defunct Penny Savings Company, a colored banking institution of this city, are under indictment and will be brought to trial next week in the Ware County Superior Court. **5-8-23**

Gaines was president and Harper cashier of the bank, which closed its doors some months ago, with a reported shortage of approximately

Savannah Savings and Real Estate

Corporation

10015 Brook Road

დავანთებ Georgia

Banks-1925.

Georgia.

NINTH ANNUAL STATEMENT

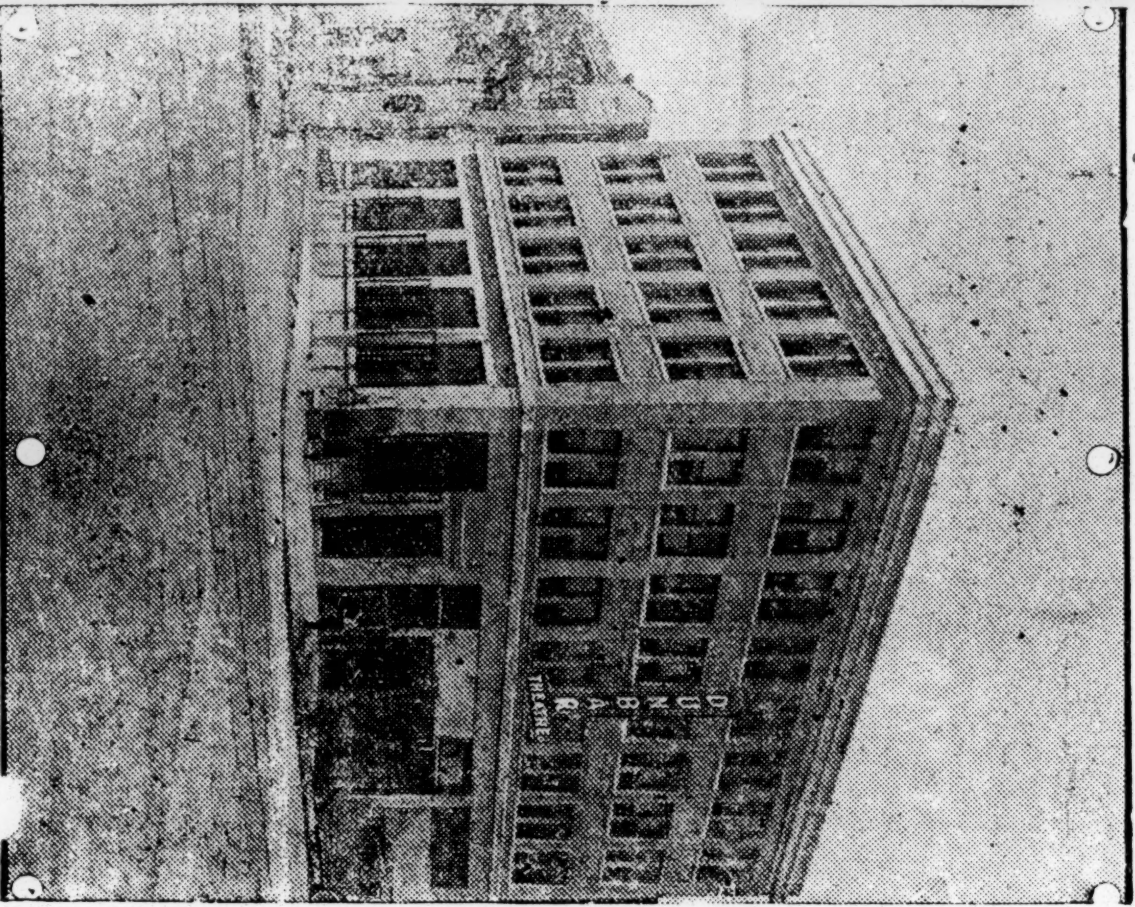
Of Condition of the

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LIABILITIES	
Capital Stock Subscriptions	\$461,949.72
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Dividends Unpaid	276,279.55
Loan on Banking House	234.79
Bills Payable	70,000.00
Notes Re-discounted	1,800.00
Turplus	NONE

TOTAL \$461,949.72

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Under Indictment

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Savannah Savings and Real Estate Corporation

127 West Broad Street

Savannah, Georgia

NEW YORK CITY WORLD
SEPTEMBER 20, 1925

Negro National Bank

Making Steady Gain

Only One Owned by
Race Has 19,000 Depositors in Chicago

By Lester A. Walton

America's first Negro national bank, named for Frederick Douglass, was opened July 1, 1922, at 3200 State Street, Chicago. Formerly the building, an old two-story brick structure, had been used as a dive and saloon.

The Douglass National Bank to-day is housed in modern quarters whose present environment in no way suggests pre-Voistead days or a shady past. Its new location is in the \$300,000 five-story brick and tile Overton Building at 36th Place and State Street, the home of various Negro business enterprises of which it is the centre of attraction.

Up to 1922 Negroes had organized seventy-odd private and State banks in the United States but no institution under Federal supervision. The Douglass National Bank, after a "Jack and Jill" experience, was chartered by the United States Government June 27 of that year. Twenty-six days later it was doing business.

Three years ago the bank had 3,000 depositors with deposits amounting to \$100,000. In 1925 it has 17,000 savings depositors and 2,000 commercial depositors, more than \$1,000,000 in deposits and resources estimated at \$1,500,000.

Supported by Negroes

The depositors, in the main, are made up of small Negro merchants, mechanics, Pullman porters, dining-car waiters, women engaged in business and those employed as stenographers, clerks and in domestic service. A small proportion are professional people. The Douglass National Bank is used as a depository by the State of Illinois, Cook County and the City of Chicago. It also handles the funds of the National Order of the Negro Knights of Pythias, the National Baptist Convention, the American Woodmen of Denver and the Mosaic Templars of Little Rock. The President, cashier and three others constituted the working force of the bank in 1922, while



ANTHONY OVERTON

fourteen, exclusive of the President and cashier now are employed.

The Douglass National Bank is the only Negro financial institution in the country which has the privilege of circulating national bank notes with the name of the bank and bearing the signatures of the President and cashier. It is a member of the Federal Reserve and through the Federal Reserve Bank clears through the Chicago Clearing House.

Officers of the bank are Anthony Overton, President; Major R. R. Jackson, Vice President; the Rev. John W. Robinson, Vice President; Edward S. Miller, Cashier; Theodore A. Roane, Assistant Cashier; Arthur J. Wilson, Auditor. Among the directors are S. A. T. Watkins, Chairman; Dr. E. S. Miller, George Rambo, T. H. Samuels, George T. Kersey, Richard Hill Jr., the Rev. J. H. Branham and Dr. J. H. Lewis.

The capital and surplus of the institution is \$200,000 and \$20,000, respectively. At the close of business June 30 its resources were \$1,491,211.87.

President Worked His Way.

The dominating personality of the Douglass National Bank is Anthony Overton, now in the noonday of his business career. His interests are varied. Besides being a bank President he is owner of the Overton Hygenic Company, rated in Bradstreet's and Dunn's at \$1,000,000. He is also

President of the Victory Life Insurance, capitalized at \$100,000 and operating under charters in New Jersey, Maryland, District of Columbia, West Virginia, Ohio, Illinois, Missouri, Texas and Kentucky. The concern has been in existence for a year and a half and has nearly \$2,000,000 worth of business on its books.

Anthony Overton has been a clerk, Pullman porter, waiter, law student, Municipal Court Judge and successful business man. He was born in Monroe, La., in 1865. His father was a slave. After emancipation the elder Overton opened a small store. In the 70's he served as a member of the Louisiana Legislature six years. In 1879 the family moved to Kansas.

For a time Anthony Overton attended Washburn College, Topeka, and was graduated from the Kansas State University Law School in 1888. About that time he married. He served one year as Judge of the Municipal Court at Shawnee County. Next he settled in Indian Territory and conducted a general merchandise store.

In 1898, the Overton Hygenic Company was started with a capital of less than \$2,000. It was the first concern to manufacture a complete line of toilet preparations for Negro trade. At the death of Mrs. Overton in 1906, the family moved from Kansas City, Mo., to Chicago. For years business was at a low ebb, but during the war the affairs of the company made extraordinary gains along with other makers of hair preparations and face powders for Negroes. Three million boxes of face powder were manufactured last year by the company.

With the babe of his brain making money, Mr. Overton began to direct his attentions to other racial enterprises, until he is now generally recognized as one of the country's outstanding Negro business men.

Negro Real Business

Factor, Says Rosenwald

In discussing "The North and the Negro," Julius Rosenwald, philanthropist and founder of the Rosenwald Fund for Negro Schools, says: "The so-called Negro problem was confined largely to the South before the World War. Now it is a national problem. Prior to 1914, the Negro usually was an agricultural worker. To-day he is a big factor in America's industrial life.

"The World War virtually put a stop to foreign immigration to the

United States. Hundreds of thousands of Europeans living in this country were called to the colors. Under the stimulus of war conditions industries in the North expanded greatly. These three factors caused a labor shortage for available workers. The greatest supply of such labor was found among the Negroes of the South and this was drawn upon to a great extent.

"The result was the beginning of the largest migration of Negroes in the history of America—a migration that is still in progress. The migration has been marked by two phases—that of 1920 and that commencing anew in 1922. The first really began in 1915, reached its maximum in 1917 and continued at a slower pace up to 1920, when the economic depression brought it to a halt.

"The revival of business prosperity in 1922 brought on a new exodus from the South. Thousands of Negroes who had remained North during the period of depression wrote to their friends and relatives urging them to come North and in many cases sending them money for the journey.

"The 1920 census reported the Negro population of the Nation to be about 10,500,000, or 10 per cent. of the total population. The Negro population in the North was shown to be more than 1,500,000.

"The essentially industrial implications of the northward movement in the last eight years is revealed by the fact that more than 1,000,000 of the Northern Negroes, or 73 per cent., live in ten industrial centres, as follows,

using round figures: Indianapolis district, 47,500; Detroit-Toledo district, 55,900; Cleveland-Youngstown district, 58,800; Kansas City district, 65,400; Pittsburgh district, 88,300; Columbus-Cincinnati district, 89,600; St. Louis district, 102,600; Chicago district, 131,600; Philadelphia district, 248,300; New York district, 251,300.

"The concentration of the Negro in these ten Northern centres not only has projected the so-called Negro problem in the North but has presented it in new aspects. Eighty per cent. of the Negroes in the South live in rural communities. The present status and future of the Negro, therefore, are primarily linked with industry in the North and with agriculture in the South.

Negro's Place Secure

"The present selective immigration law was passed by a Republican Administration and will probably remain in force for another four years. Even should the law be repealed, thousands of Negroes have acquired skill in mechanical occupations that puts them beyond the likelihood of replacement

by foreign labor. In short, Northern industrialists have come to look to the Negro for the labor supply in their factories and workshops. For some of these tasks men and women who have had training at Hampton and well fitted."

STANDARD BANK

PAYS DIVIDEND

Louisville, Ky., Oct. 1, 1925.—The First Standard Bank, which was the first banking institution in Kentucky owned and managed by colored people, paid a dividend yesterday to its shareholders throughout Louisville and Kentucky. More than \$3,000 was distributed to the shareholders of the bank, following an enthusiastic meeting of the stockholders and Board of Directors.

Many prominent out-of-town visitors were in attendance at the annual stockholders meeting. Mrs. E. B. Delaney, prominent undertaker and business woman of Covington, Ky., and treasurer of the Eastern Star, made a special trip to attend the meeting. Also Dr. L. R. Johnson of Akron, Ohio, Dr. W. Hansford Wilson of Danville, Ill., Dr. A. B. Deany of Winchester, Ky., Mr. Roy Turner of Richmond, Ky., and Mr. York Anderson of Owenton, Ky.

The annual report of the President of the Bank, Mr. Lovett, evoked considerable enthusiasm and commendation when, in his report, he informed the stockholders that the bank's earnings had been so satisfactory for the past year he was recommending the payment of a dividend to the Board of Directors. At the directors' meeting which followed the stockholders' meeting, the directors unanimously agreed to declare a dividend and a number of dividend checks were distributed to the stockholders in attendance.

The President, in his report, called attention to the fact that the bank had been in operation four years and eight months, and had total resources at the present time in excess of \$580,000 and total deposits of \$397,000.

Officers and Directors of the bank were re-elected as follows:

Wilson Lovett, President; W. W. Spradling, Chairman of Board; Bishop Geo. C. Clement, Vice President; Dr. R. L. Johnson, Vice President; J.

R. Ray, Cashier; A. L. Simpson, Asst. Cashier.

Board of Directors: Dr. T. Wilson Ballard, Dr. T. C. Brock, W. W. Spradling, Dr. A. B. Deany, Dr. P. M. Flack, Dr. R. L. Johnson, A. L. Garvin, Jas. H. Hathaway, Sr., Dr. J. A. C. Lattimore, York Anderson, J. B. Cooper, Bishop Geo. C. Clement, Dr. C. H. Dorsey, C. H. Parrish, Dr. J. H. Hammons, T. K. Gibson, Morris S. Walton, James T. Taylor, Dr. P. R. Peters, Dr. A. S. Brock, J. E. Simpson, Mrs. H. W. Jordan, A. E. Meyzeek, Dr. W. H. Wilson, Wilson Lovett, Rev. R. S. Stout, Miss Georgia Lattimore, Roy Turner, N. M. Willis, Dr. R. W. Oliver, F. C. Dillon, W. L. Bowman.

Banks - 1925

Missouri.

PLANS FINISHED FOR HOUSING NEW BANK

Three Year Old Company
To Build \$400,000
Structure

ST. LOUIS, Mo., July 22.—The Peoples Finance Corporation of St. Louis, Mo., has let contracts for the erection of a new building to house the corporation's bank. The new building will be situated at the corner of Market and Jefferson streets, will be five stories high, and will possess every modern convenience and improvement for an up-to-date bank building. The building, when completed, will cost over \$400,000. Its present capital and assets total well over that amount. The old landmarks which have stood on the site for fifty years have been razed to the ground and the building operations for the home are already under way.

When the new building is completed the Peoples Finance Corporation will occupy the entire first floor. The company will have the following departments: Savings, real estate, safe deposits, industrial loan, and investment. The second, third, and fourth floors will contain offices, and on the fifth floor will be a large assembly room and theater. The roof of the building will be equipped as a roof garden, the most complete of its kind in the country.

Company Only 3 Years Old

The Peoples Finance Corporation was founded in 1922 by Daniel W. Bowles, a prominent St. Louis attorney, and has grown rapidly under the successful management of George W. Buckner, the present vice-president and manager. The company now has over 1,000 stockholders. Its chief business is making loans on real estate, and to salaried people and business firms on the same plan as that used by industrial loan companies and commercial credit corporations.

The officers and directors of the organization are all prominent in St. Louis business and professional life. The officers are: Chas. E. Herriot, president; J. E. Mitchell, vice-president; W. H. A. Barrett, vice-president; Geo. W. Buck-

ner, vice-president and manager; Geo. H. Anderson, secretary; Edward L. Grant, assistant secretary; E. L. Harris, treasurer; Daniel W. Bowles, chairman finance committee and counsel.

Incorporate New Savings Bank

Cincinnati, O.—The Knights of Honor of the World Savings Bank, with \$50,000 capital has been incorporated to do business among the colored people of Cincinnati. The incorporators and directors are: Robert E. Troy, E. A. Williams, N. C. Vaughan, James C. Erwin, Louis A. Cornish, Jared Carey, Edward J. Howard, and W. P. Dabney. The bank will be located on McAllister street, between Fourth and Fifth Troy will be president, Attorney George H. Jackson, vice-president, and W. D. Dabney, treasurer.—Reprinted from the Cincinnati Post of January 8, 1901.

DETERMINED CLEVELANDER BUILDS A BANK

H. Chauncey Started Out By Soliciting Stockholders Pencil And Notebook Sold Equipments.

From the Cleveland Press.

The story of Dick Whittington and his cat is rivaled by that of H. S. Chauncey and his notebook.

The notebook is just an ordinary 3¼ by 5½ affair purchased at a 10 cent store in 1919. It was Chauncey's ledger. His desk was his pocket.

From this beginning grew a banking business which on March 31, 1925, had assets of \$254,850.34, its own building, and approximately 4000 accounts. That is the Empire Savings and Loan Co., at 2316 E. 55th street.

Chauncey arrived in Cleveland in 1917. He was a railway mail clerk on a salary of \$200 a month.

Came Here to Study

He came here to study law, for in his home at Savannah, Ga., there were no law schools admitting Negroes. He was admitted to the bar in 1923, after studying at night while he worked during the day.

The idea of starting a bank came to Chauncey when he tried to purchase a home. He found it impossible to get the deal financed.

So in his spare time he walked around the streets explaining the idea and selling stock at \$10 a share. The bank now has 500 stockholders.

Even in the depression of 1920 when long-established banks were losing savings accounts, Chauncey's bank grew. 4-25-25

"The women saved the day," said Chauncey. "When the men were out of work they got jobs as servants in order to save their bank accounts."

"Those who had accounts in two banks left the one in the Empire Savings and Loan Co., untouched because they were set upon the success at any odds of the first Negro banking venture in the city."

Aids Migrant

One of the biggest jobs of the bank is to enable the new migrant from southern agricultural communities to get their financial footing in a northern industrial community. So Chauncey organized the People's Realty Co., that they might be helped to buy their own homes.

"We don't have to sell the idea of thrift to our people," says Chauncey. "All they want to know is how to invest their money to best advantage."

Besides paying 5 per cent interest the bank has paid dividends every year of its existence except the first. Every dollar is insured dollar for dollar without cost to the depositor.

During this period Chauncey found time to organize the Pioneer Publishing Co., which publishes the Weekly Call.

Mrs. Chauncey was busy, too. She graduated from Central High School and the Woman's College of Western Reserve University and is teaching in the Cleveland public schools.

Banks - 1925

Oklahoma.

THE FIRST NATIONAL BANK, BOLEY, OKLA.

Report of condition of the First National Bank at Boley, in the state of Oklahoma, at the close of business on December 31, 1924.

Resources

Loans and discounts, including rediscounts, acceptances of other banks, and foreign bills of exchange or drafts, sold with indorsements of this bank.

i \$20,547.50

Total loans 20,547.50

Overdrafts, unsecured *Lopeka Flour Dealer* 133.79

U. S. Government Securities Owned *3-6-25*

All other United States Government securities (including premiums if any) *Lopeka Kansas* 250.00

Total 250.00

Other bonds, stocks, securities, etc. 20,005.50

Furniture and Fixtures 7,888.73

Real estate owned other than banking house 3,424.10

Lawful reserve with Federal Reserve bank 11,027.50

Cash in vault and amount due from national banks 109,051.20

Total of items 9-10-11-12-13 109,051.20

Miscellaneous Cash items 348.50

Other assets, if any 5,534.91

Total \$178,211.73

Liabilities

Capital Stock paid in \$25,000.00

Surplus fund 849.17

Undivided profits 961.83

Reserve for losses 3,949.07

Less current expenses paid 4,125.46

Demand deposits (other than bank deposits) subject to Reserve (deposits payable within 30 days):

Individual deposits subject to check 119,189.11

Total of demand deposits (other than bank deposits) subject to Reserve, Items 27-28-29-30-31-32 119,189.11

Time deposits subject to Reserve (payable after 30 days, or subject to 30 days or more notice, and postal saving):

Certificates of deposit (other than for money borrowed) 32,388.01

Total \$178,211.73

STATE OF OKLAHOMA, County of Okfuskee—ss:

I. H. C. McCormick, cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

H. C. McCormick, Cashier.

Subscribed and sworn to before me this 5th day of January, 1925.

LOUIS C. TAYLOR, Notary Public

(SEAL)

My commission expires May 7, 1927.

CORRECT—Attest:

A. L. LUGRAND,

E. L. LUGRAND,

C. L. WHITE,

Directors.

Brown and Stevens' Bank Sold at Auction for \$94,000

(By The Associated Negro Press)

Philadelphia, Pa.—The property at the northeast corner of Broad and Lombard streets, formerly occupied by Brown and Stevens, bankers, was offered by sheriff at public sale on Monday, August 3, in foreclosure of one of the mortgages.

The property, a very good-looking one, consists of twenty-one feet on Broad street by nine-and-three feet on Lombard street to an alley, and is improved by a three-story building the top of which contains three offices. Two offices occupy the second floor, the first floor the bank and a side office.

Ninety-four thousand dollars was the consideration for which the building was sold, and is considered by real estate operators to be a big price. There was a number of persons interested in the property, and the bidding was rather sharp. None of this money goes to the estate, as the property had been mortgaged up to \$185,000, and there was not enough money to pay the mortgages. The property was carrying six mortgages, and the Philadelphia Investors holding a second mortgage foreclosed. The property was bought by John M. Dotterer of Wayne, Pa. The terms of the sale were 10 per cent at the time of bidding, the entire sum to be paid within 21 days after the date of sale.

The sale of this property was somewhat different from the sale of the property at 5335 Market street, which was mortgaged up to \$32,500, and was mortgaged far in excess of its valuation. The attorney on the writ took it over. Because of the large amounts of mortgages to which it was encumbered, no one would bid thereon, and the attorney took it over.

Judge Dickerson of the United States District Court for the Eastern District of Pennsylvania has (August 5) granted permission to the receivers to sell through Samuel T. Freeman, auctioneer, on Wednesday, August 19, all the furniture, office fixtures, including typewriters, chairs, filing cabinets, adding and bookkeeping machines, etc.

U. S. TAKES OVER PHILLY BANK AFFAIRS

Depositors May Get a Dime for Dollar

Philadelphia, Pa., June 19.—Complete charge of the affairs of Brown and Stevens, bankers, at 427 S. Broad St., was taken over last week by the United States bankruptcy court. Herman N. Schwartz (white) was appointed temporary receiver in bankruptcy by Federal Judge Thompson. Schwartz will supplant William R. Smith, deputy state banking commissioner, who has been in charge of the bankers' affairs since his appointment as equity receiver by the common pleas court on Feb. 11.

Only 10 cents on the dollar will be received by depositors, although this may be increased a little as the assets of the bankers are liquidated, according to the present indications. The receivers' automobile, which Mrs. Brown, wife of one of the bankers, is supposed to have bought since the bankruptcy proceedings were instituted against her husband and his partner, was mentioned at one of the recent hearings before David W. Amran, a referee in bankruptcy. Henry I. Hynemann, an attorney who represents a number of the depositors, is investigating this charge of Mrs. Brown, purchasing the automobile.

Will Take Titles

Title to 19 properties, transferred last September by the bankrupt bankers, Edward C. Brown and Andrew T. Stevens, to George M. Longaker and Irwin W. Reigner, will be taken from them soon, according to Receiver Schwartz. Longaker and Reigner are both willing to transfer title to the receiver, pending a final decision by the court on the ownership of the properties, according to Mr. Hynemann.

RUN IN PHILADELPHIA CLOSES NEGRO BANK

Assets and Liabilities Put at
\$1,000,000 Each—6,000 De-
positors Offer \$150,000.

PHILADELPHIA, Feb. 10.—William R. Smith, Deputy Secretary of Banking, was appointed temporary receiver of the private bank of Brown & Stevens today by Judge Davis. The bank, a negro institution with approximately 6,000 depositors and deposits of \$750,000, had closed its doors earlier in the day after which time the owners found that it was impossible to meet the demands of depositors. They requested that a receiver be appointed and William H. Smith was given the assignment.

"For the past several weeks rumors have been circulating around the city to the effect that the bank (Brown & Stevens) was not on a strong foundation; that it was beginning to weaken," states a report in the Philadelphia Tribune. "This information gradually gained in

of their money to safeguard the credit of the bank. President Brown told them every depositor would receive "dollar for dollar."

COSMOPOLITAN BANK IN PHILADELPHIA CLOSES DOORS

Another Negro Institution Caught in the Brown & Stevens Net — E. C. Brown in Tears at Meet- ing.

PHILADELPHIA, Feb. 16.—Caught in the net which brought about the failure of the private banking concern of Brown & Stevens last week, the Cosmopolitan State Bank, another Negro institution here, was forced to close its doors Saturday by Peter G. Cameron, State Banking Commissioner. George W. Brown, bank examiner, was appointed receiver of the Cosmopolitan Bank. The last statement gave deposits as \$140,000, capital \$50,000, and surplus \$18,000.

The run on the Brown & Stevens Bank, owned by E. C. Brown and Andrew F. Stevens, started Saturday, February 7, and continued until Tuesday of the next week, at which time the owners found that it was impossible to meet the demands of depositors. They requested that a receiver be appointed and William H. Smith was given the assignment.

"For the past several weeks rumors have been circulating around the city to the effect that the bank (Brown & Stevens) was not on a strong foundation; that it was beginning to weaken," states a report in the Philadelphia Tribune. "This information gradually gained in

momentum and several large depositors withdrew their accounts, leaving only small balances. The crash started Saturday, when it was found out that the bank could not meet a demand for \$36,000 from another institution in this city. The news spread like wild-fire. Before the doors of the bank were opened on Monday morning a long line of depositors had formed in front of the bank.

"For a time the bank was able to pay off. The paying teller paid out all available cash about 11 o'clock. But the crowd continued to stand in line. Speeches were made to the effect that payments would start again at one o'clock. The crowd waited patiently until 1 o'clock, but the officials were unable to raise any cash. The crowd was exceedingly patient and there was no evidence of violence.

Admit No Funds.

Tuesday morning, bright and early, the crowd awaited the opening of the doors. The doors did not open; but there was no money to pay the large group of depositors. Several of the members of the institution endeavored to raise sufficient money to meet the demands but, on account of the condition of the bank, this was set up as a hopeless task. Mr. Brown stated that there were no funds.

Hon. B. G. Collier, Grand Chancellor of the Knights of Pythias; Dean L. B. Moore, Rev. Charles A. Tindley, Rev. W. F. Graham, and Rev. Jones held a conference at the bank Tuesday morning with Mr. Stevens and Mr. Brown. They thought that \$25,000 could stop the run. However, it was discovered that \$50,000 would not be sufficient.

Mr. B. G. Collier stated that he wanted to save the bank for the colored race. It was, therefore, suggested that a meeting of the depositors be held at the Pythian Temple, 19th and Addison streets.

Brown Breaks Down.

At this meeting several leading citizens spoke. The final speaker was E. C. Brown, president of the bank. The entire audience exhibited a friendly spirit and pledged themselves to stand firmly behind Mr. Brown. He pleaded for time to liquidate his assets, which are at the present time unavailable. He pledged that he would sell everything he possessed, even the coat off his back, so that every depositor would have every penny put into the bank returned to them. The crowd was orderly and there were no threats of bodily harm. Mr. Brown broke down and cried.

"Hon. B. G. Collier, who is sup-

posed to head the reorganization of the bank, stated that there is no doubt that he had had. About \$1,000 was deposited in the bank on Monday. He had hoped to do money has not been touched and the week before even a general failure. It killed the confidence of hundreds of people in the bank. ing institution headed by the same people who promoted the Dunbar Theatre Failure.

"All depositors who put money pressed a willingness to do every-

Amusement Co. Ever since the failure of the Dunbar Co. the business of the bank has been falling off. However, it is believed that the Dunbar Co. was promoted by them with the cleanest of motives. The company just couldn't go.

"Mr. Brown states that the collapse is due to malicious and idle rumors by enemies of the bank. He believes that he has assets to pay off dollar for dollar. It appears that so much of the bank's assets are tied up in real estate there was very little cash to meet such an unusual rash of withdrawals. The crash was inevitable.

"For ten long years the banking firm of Brown & Stevens has stood as a monument to racial enterprise. During this time it has gained the confidence of the people. Six thousand people have deposits in Brown & Stevens Bank. It was reputed to be one of the largest and strongest banks in America among colored people.

Mr. E. C. Brown was rated as one of America's richest Negroes. Andrew F. Stevens is a Philadelphian by birth and is recognized as a man of strong character. The crash of this institution was unexpected and disappointing to everyone in Philadelphia who knew of its existence.

"The collapse of no other institution has caused as much consternation as this occurrence. Crowds stand on every corner discussing it. Hundreds braved the down-pour of rain on Wednesday and stood around the closed doors of the bank now guarded by policemen. Business men look ruefully at checks which were written in good faith on Monday which are now the same as any other scrap of paper.

"Merchants fear that debtors will attribute non-payment of bills to their funds being tied up in Brown & Stevens Bank.

Steel City Trust Company Granted Charter By State Commissioner of Banking

The Commissioner of Banking of the State of Pennsylvania has granted a charter to the Steel City Trust Company. The previous document bearing the signature of Governor Gifford Pinchot, was received by Attorney Robert L. Vane, by Special Post late Saturday afternoon. The honoring of the petition of the applicants for the charter culminates a long and stubborn fight for the chance to conduct a banking business under the most approved and favorable charter for such institutions.

The announcement several months ago that the Steel City Banking Company, which had practically outgrown its limitations under its licensed qualifications, would be better able to render a larger service, were it possible to broaden its work and usefulness by a more extensive scope of operation, namely: a charter, which would embrace the latitude of general banking and trust operations, instantly met with the very general approval of the forward thinking citizens of the community; who fully realized the handicapped

condition of most of our financial institutions in their efforts to serve the community and our budding business interests. The effort to secure the favor of the Banking Department of the State, in the light of certain other failures, was a real task and taxed the resourcefulness at the command of the corporation's attorney, who had the responsibility of trying to secure the charter. The victory was finally won, however, and the parchment, itself was exhibited to many interested persons during the past few days.

Officers, stockholders and depositors of the Steel City Banking Company are overjoyed at the success of the effort for a larger and more useful institution. Many expressed an anxiety and wish to be the first to subscribe to the capital stock of the Trust Company, whose charter will of itself give its officers the privilege of placing a One hundred per cent. valuation on the holdings of our group.

Armed with the authority to organize and operate a Trust Company, the business now in hand is the sale of the capital stock, which the corporation will be in position to offer to the general public within the next few weeks.

It is hard to even imagine the usefulness and scope of such an institution in this community where the question of home-buying and financial assistance to our young business institutions, has long been a grievous and vexing one.

Not only will such an institution give new impetus to our business interests, but a Trust Company will of itself attract a larger and stronger personnel in the way of both depositors and stockholders.

Dr. James Burwell, Shedrack W. Fields and William E. Hance are the Petitioners on the application. Around these men will be built a personnel of sound, safe and tried business men of experience, integrity and worth, upon whose shoulders will be placed the responsibility of giving to our group a real financial institution, without which, no community or group can make the strides so necessary for advancement.

Further announcement of the plans of organization and personnel will be made in the next issue of The Pittsburgh American.

The annual Fall Deposit Campaign of The Steel City Banking Co., at 801 Wylie ave., and 6309 Broad st., Eastend, is already under way. It began Monday, Nov. 9, and will continue up to and including Monday, Nov. 30. This special deposit campaign will mark the period when hundreds of the Negro group will seize the opportunity, long neglected, to start a savings account at their own racial bank. Also as on previous similar campaigns many others with savings and checking accounts, anxious to their credit on the books at the bank will act on the suggestion which these occasions offer to boost their savings accounts beyond their present limits by joining the annual fall pilgrimage to the bank to make a special deposit in honor of the event.

It is a matter of record as well as common knowledge that many persons now residing in Pittsburgh owe their rapid progress towards financial and economic independence to a small savings account begun at these special deposit periods and added to at regular intervals. They all admit that the hardest thing to do was to get started. Once begun he savings habit needed but little cultivation before it became a fixed and indispensable part of the saver's life.

The Steel City Banking Company early in its career realized that a bank under race ownership and control must function beyond the mere taking in and handing out of money; it must inculcate lessons of thrift in its patrons; teach those who do not know the true value of a dollar and convince them that a dollar drawing four per cent interest, is working as hard for you as you have worked for it. These cardinal thrift lessons have made their wholesome impress upon the group as is evidenced by the ready response which these special deposit periods have received.

Indications are that this year's fall deposit campaign will equal if not surpass any previous special deposit effort, the dull and industrially stagnant summer having taught its lessons which the colored citizen ought not easily forget—namely, that a dollar saved is a dollar made.

PHILADELPHIA, Pa., Feb. 19.—The Cosmopolitan Bank, started originally as the North Philadelphia

PHILADELPHIA, Pa., Feb. 19.—A "Substantial Loss" will be sustained by the 8,000 depositors in the private banking firm of Brown and Stevens, it is announced by Colonel Fred Taylor Pusey, counsel for William R. Smith, receiver for the institution. Colonel Pusey has returned from New York where he says he made an investigation of Real Estate Investments. The Cosmopolitan Bank was said to have opened Monday afternoon when the directors made good the \$38,000, deposited in Brown and Stevens' Bank.

Branch of Brown and Stevens, was closed on Saturday following the discovery of a gross impairment of their funds. This was done by order of the State Banking Department.

Affairs of the institution of which Edward C. Brown is president and Andrew F. Stevens, a vice president, were taken over by the Commission and George W. Brown, senior bank examiner, was placed in charge by Peter G. Cameron, Secretary of Banking.

"The situation of the Cosmopolitan Bank is that we have had to order them to suspend business owing to the receivership of Brown and Stevens," said Mr. Brown. "This was made necessary by the fact that the Cosmopolitan was carrying a substantial balance with Brown and Stevens."

Asked whether it was the usual practice for the president of one bank to deposit its funds in another bank of which he was the executive officer and whether it was criminal, Brown replied that it was not usually done and that, while it was not fraudulent it was very bad judgment.

More than a week before the bank was closed examiners discovered the money juggling and ordered the cashier, E. H. Vaughn, to get the money, a matter of \$38,000. Getting \$38,000 out of the Brown and Stevens plant at that time would have been a miracle and this is not the day of such happenings. The various directors were appealed to and they made desperate efforts to raise the amount. Failing to do so, they notified the Banking Department and the closing order followed close on

the heels of their confession of defeat.

The officers of the Cosmopolitan which was chartered in June, 1924 with a capital of \$50,000 and a surplus of \$18,000, are listed as E. C. Brown, president; A. F. Stevens vice president; Dr. George L. Strickland, vice president; Dr. I. M. Lawrence, vice president and E. H. Vaughn, cashier. Other directors are Drs. Tamlin L. Powell, Barnes and Allen and a few North Penn Village business men.

It is estimated that deposits will amount to \$112,000. In its official statement to the Banking Department as of December 31, 1924, the bank had a total reserve of \$212,000. The legal reserve securities were shown to be \$10,000 at par and the due approved reserve agents set at \$49,500. The office building and lot of the company is valued at \$40,000 and furnitures and fixtures at \$4,000.

"We were in good shape, said E. H. Vaughn, the cashier," till depositors heard that we had about \$38,000 on deposit with Brown and Stevens. Immediately there were a number of withdrawals and we were prepared for a run by making arrangements to lift a deposit of \$60,000 from the Girard Trust Company. However, the bank examiner, had started an investigation into the affairs of the bank at the time and announced that we would have to raise the amount of cash deposited with Brown and Stevens. We were unable to do this because the funds of our directors are tied up in real estate. You know how long it takes to convert that into ready cash at the present time.

"Mr. Brown gave us until 9:00 a. m. Saturday to raise the money. We held a meeting when we found out it would be impossible. So the bank was closed. The affair was most unfortunate for us. Had Brown and Stevens not closed their doors we never would have been forced to close. The stockholders may lose heavily, but if Brown & Stevens are able at any time in the future to pay back our \$38,000, then no reason connected with our bank will suffer."

"As matters now stand, I believe the depositors will get 'DOLLAR FOR DOLLAR'."

Mr. Vaughn added that Brown and Stevens were the MAJORITY stockholders in the Cosmopolitan State Bank.

This misdirection of an organization's finances brings to mind the suit of several stockholders in the Dunbar Amusement Company, headed by E. C. Brown. The case has been pending in the local courts for several years and has always successfully been postponed whenever calendared for trial.

There was written into the records of the Court of Common Pleas No. 1, June term, 1923, and listed as No. 6682, a bill in equity of John R. Matthews, Granville Duckery, Rodney C. Mason, James A. Waters and others, plaintiffs, against the Dunbar Amusement Corporation, a corporation, and others. This bill alleges definite things and addresses specific interrogatories to Edward C. Brown, defendant.

The plaintiffs complaint and say, in part:
That some of the defendants held their stock as agents for E. C. Brown and A. F. Stevens, subject at all times to orders, directions and instructions from them:

That E. C. Brown and A. F. Stevens were the promoters of, and own and control a majority of the stock of the said company and completely dominate and control the action of its officers and directors, and this situation has existed and continued since the date of incorporation.

That the said defendants have fraudulently used the franchises, property, assets and corporate machinery of the said Dunbar Amusement Corporation for their own use, personal gain, aggrandisement and benefit, in fraud of the plaintiff's rights.

That the said defendant, Edward C. Brown, fraudulently abusing the confidential relationship existing between himself and the said defendant, Dunbar Amusement Corporation, and using said confidential relationship for his own personal gain and benefit, has been guilty of fraud, to wit: that on or about February 2, 1918, he purchased premises 1410 and 1412 Lombard street, Philadelphia, for \$17,000 from Theodore B.

Culver, Executor and Trustee, etc. et al., by deed dated February 2, 1918, and recorded at Philadelphia in Deed Book J. M. H., No. 303, page 225, etc.; that on or about February 7, 1918, he executed and delivered a mortgage on said premises to Columbia Avenue Building Association to secure the payment of \$11,000, dated February 7, 1918, and recorded at Philadelphia in Mortgage Book J. M. H., No. 487, pages 483, etc.; that on or about June 10, 1918, he executed and delivered

and a mortgage on said premises to Fidelity Trust Co., to secure payment of \$11,000 dated June 10, 1918, and recorded at Philadelphia in Mortgage Book J. M. H., No. 1063 at page 52, etc.; and that on or about June 12, 1918, he conveyed said premises to the defendant, Drexel

and directed by the said Edward C. Brown and Andrew F. Stevens, as aforesaid, for a purported consideration of one dollar, by deed dated June 12, 1918, and recorded at Philadelphia in Deed Book J. M. H., No. 469, page 523, etc., the said premises being still subject to said mortgage.

amount.

That on or about February 17, 1920, the defendant, Dunbar Amusement Corporation executed and delivered to said defendants, Edward C. Brown and Andrew F. Stevens, a mortgage upon its said premises at 1410 and 1412 Lombard street, and its premises situate on the southwest corner of Broad and Lombard streets, Philadelphia, to secure payment of \$100,000. Said mortgage is dated February 17, 1920, and is recorded at Philadelphia in Mortgage Book J. M. H., No. 1373, page 506, etc., and was executed in fraud of plaintiff's rights in that no valuable consideration was received by said Dunbar Amusement Corporation for said mortgage or for the bond accompanying the same. Said mortgage is marked satisfied of record as of August 30, 1921.

That on or about July 15, 1921, the defendant, Dunbar Amusement Corporation, executed and delivered to the defendant, Daniel L. Evans for the use of the said Edward C. Brown and Andrew F. Stevens, a mortgage upon its said premises 1410 and 1412 Lombard street and its premises situate on the southwest corner of Broad and Lombard streets, Philadelphia, to secure the payment of \$100,000. Said mortgage is dated July 15, 1921, and is recorded at Philadelphia in Mortgage Book J. M. H., No. 1923, page 593, etc., and was executed in fraud of plaintiff's rights in that no valuable considerations were received by said Dunbar Amusement Corporation for said mortgage or for the bond accompanying the same.

That on September 7, 1921, the defendant, Dunbar Amusement Corporation, conveyed said premises 1410 and 1412 Lombard street and said premises situated on the southwest corner of Broad and Lombard streets, together with the theater building thereon erected to John T. Gibson and Ella, his wife, in fee, by deed dated September 7, 1921, and recorded at Philadelphia in Deed Book J. M. H., No. 1128, page 456 etc., for a stated consideration of \$120,000, and subject, inter alia, to said mortgage of \$100,000 to the said Daniel L. Evans, aforesaid.

After praying that a receiver be appointed by the Court to take possession of everything belonging to or pertaining to the Dunbar Amusement Corporation, fourteen interrogatories were addressed to the defendant, E. C. Brown. I mention four:

How much was paid by the defendant, Dunbar Amusement Corporation, for premises formerly known as and number 1410 and 112 Lombard street, and 500 South Broad street, being the southwest corner of Broad and Lombard streets, Philadelphia, Pa. To whom was said consideration paid and how much of it was paid in cash?

What other real estate, if any, was the total cost of the building of the defendant's theater, Dunbar Amusement Corporation, where it is located, when was it purchased and from whom and what was paid for it? What is the place, book and page numbers, construction and ex-

Smith at the request of Colonel subject to the will of bank exam- Fred Taylor Pusey, deputy attor-ners, Secretary of Banking Cam- ney general, who is legal repre-on issued the following notice: sentative of the bank.

Colonel Pusey stated that noth-Brown & Stevens has never been ing definite would be known forsubject to examination and super- several days. He stated that thevision of the Department of Bank- receiver and a corps of examiners. The Private Banking Act and accountants were at work oncontains a provision exempting the firm's books to discover thefrom supervision of the Banking "frozen" assets.

If the assets have not been va-nerships or unincorporated asso- porized they will be liquidated. cations, as otherwise would be re-

The deputy said that "failure torequired to comply with the provi- practice conservative banking, lackson of the act, as shall file with of common-sense and top-heavy realthe Secretary of Banking a bond, estate ventures" led to the presentin the sum of \$100,000, approved by the private banking board, trouble.

The "magnanimous" offer ofwhere the business is conducted in Brown & Stevens to "withdraw"a city of the first class. The firm and allow a committee of stock-of Brown & Stevens filed with the holders to run the bank was de-department a collateral bond in the clared "impracticable" and thesum of \$100,000, the same being naming of the receiver followed.approved by the private banking board, and thereby gained exemp- In their petition the partners asked tion."

They place their assets at ap- proximately \$1,000,000 and the li- abilities at \$1,037,000, including \$800,000 in depositors' accounts. The assets are composed mainly of real estate holdings, stocks, bonds notes and a bond of \$100,000 or deposit with the Secretary of Bank ing, under provision of the Privat Bankers Act, as a guarantee o good faith.

Many fraternal, religious, civic social and building and loan or ganizations are said to be depos- itors in the defunct bank. It is said that the Pennsylvania Grand Lodge of Masons had one of the largest accounts there. Large num- bers of business men and firms have been seriously embarrassed by the pricking of E. C. Brown's bubble.

Countless incidents might be cited to show just how hard the fiasco has hit the city. I saw one woman in tears last Tuesday, begging for some of her money to pay her rent because she had no other way to satisfy it except by a check on Brown & Stevens.

Business houses which had paid bills with B. & S. checks had them returned to them. One man was forced to lose the forfeit money on two agreements of sale, because the money with which he had planned to make settlements on Wednesday was in the wrecked bank.

The editor of a prominent maga- zine deposited upwards of \$500 in the main bank on the Saturday when the "run" developed.

A physician was making up his slip for deposit when he was noti- fied by the telephone company that his check of the day before could not be honored by the bank.

In explanation of the fact that Brown & Stevens' books were never

BROWN AND STEVENS BANK SOLD AT AUCTION FOR \$94000

(By The Associated Negro Press)

Philadelphia, Pa., Aug. 13.—The property at the northeast corner of Broad and Lombard Streets, formerly occupied by Brown and Stevens bank- ers, was offered by the sheriff at a public sale on Monday, August 3, on foreclosure of one of the mortgages.

The property, a very good-looking one, consists of 21 feet on Broad Street by 93 feet on Lombard Street to an alley, and is improved by a three-story building, the top of which contains three apartments. Two of- fices occupy the second floor, the first floor the bank, and a side office.

Ninety-four thousand dollars was the consideration for which the building was sold, and is considered by real estate operators to be a big price. There were a number of persons in- terested in the property, and the bid- ding was rather sharp. None of this money goes to the estate, as the prop- erty had been mortgaged up to \$185,000, and there was not enough money to pay the mortgages. The property was carrying six mortgages, and the Philadelphia investors holding a sec- ond mortgage foreclosed. The prop- erty was bought by John M. Dotterer, of Wayne, Pa. The terms of the sale were 10 per cent at the time of bid- ding, the entire sum to be paid within 21 days after the date of sale.

The sale of this property was some- what different from the sale of the property at 5335 Market Street, which was mortgaged up to \$32,500, and was mortgaged far in excess of its valua- tion. The attorney on the writ took it over. Because of the large amounts of mortgages to which it was encum- bered, no one would bid thereon, and the attorney took it over.

Judge Dickerson, of the United States District Court for the Eastern District of Pennsylvania, has (August 5) granted permission to the receivers to sell through Samuel T. Freeman, auctioneers, on Wednesday, August 19, all the furniture, office fixtures, in- cluding typewriters, chairs, filing cabinets, adding and bookkeeping machines, etc.

PAST PRESIDENT RESIGNS OF PITTSBURGH BANK

Arthur Stevenson to Fill Position of Rev. Hunter

Pittsburgh, Pa., July 24.—According to announcement made public Saturday following a meeting of the board of di- rectors of the Steel Banking company of Pittsburgh, Rev. Moses S. Hunter, who filled the office of president since the founding of the bank some four or five years ago, resigned the presidency to devote his time exclusively to minis- terial work as assistant pastor of Eben- ezer Baptist church, which position he has also held since coming to Pitts- burgh. The statement given out by the officials of the bank follows:

"The leading public has long since known that the purpose of Rev. M. S. Hunter's coming to Pittsburgh was to serve as assistant pastor of the Eben- ezer Baptist church. For a long time this sphere in which he was to operate as assistant to the pastor has suffered by reason of the enormous draft upon his time and strength occasioned by his labors in interest of the Steel City bank as its executive. The Ebenezer church has recently demanded more of his time and service.

"While Mr. Hunter places to con- tinue to work in the interest of the institu- tion which he has labored so diligently to establish, he wishes to be free to serve on the program of the Ebenezer Baptist church that has been made his greater assistance as the pastor, Rev. J. C. Austin, in the construction of the proposed new church building as well as carrying forward the extensive Ebenezer program.

"With such splendid men now in charge of the Steel City bank as Arthur D. Stevenson, John H. Fletcher, Earl Ormes, Rufus C. Harvey of the East end branch bank and Frank Fowler, aided by a thoroughly trained corps of young women, a greater banking institution, capable of rendering a larger service to our group in this community than has so far been possible, is assured. These executives and employees are backed by a strong board directorate and board of advisers made up of pastors of the city.

BROWN & STEVENS BANK BUILDING PLACED ON SALE

Sale Scheduled August 18th To Satisfy All Mortgages Due

PHILADELPHIA, Pa., Aug. 6.—A receiver for Brown and Stevens Bank today filed a petition with the court for permission to sell on August 18 the furniture and equipment con- tained in the bank building. The sale which is to take place on the prem- ises will be conducted by the Samuel T. Freeman Company.

Notice of sale for the building it- self on August 3 has already been posted. The sale of the property was brought on by foreclosing proceed- ings instituted by a building and loan association holding second mortgages on it. The building itself is valued at between \$70,000 and \$80,000. It car- ries mortgages in excess of \$200,000, some of which were given as col- lateral security and some in return for real money advanced.

Depositors Meetings Continue

The meetings of depositors before the referee continue to be held each week. Notice has been sent to those depositors who left their bankbooks with the referee to be balanced to call for them. Depositors and other creditors have been notified to file proof of claim, setting forth the amount and character of their claim, in order to receive dividend.

The accountants who are working on the books of the bank have been delayed in their work by the muddled condition in which they found them. Until their work is completed there is no means of ascertaining what dividends will be paid to depositors.

NEGRO HELD IN JAIL FOR KILLING DEPUTY WHO SLEW HIS WIFE

Matt Lewis, 51, a negro laborer, was held in jail without bond here to- night on a charge of slaying C. C. Wortham, 62, a deputy sheriff, who is alleged by Lewis to have killed his wife Sarah Lewis. The killings occurred before noon today in Holly- wood, a suburb. 10-8-25

P. D. Cruse, Jr., another deputy sheriff, received cuts and bruises on his head, but was not seriously in- jured. Margaret Stinson, a daughter of Lewis, was shot in the abdomen. Physicians tonight said she had an even chance of recovering.

Lewis surrendered to deputies at the county jail shortly after the shoot- ing. He was quoted by authorities as saying that he crushed Wortham's skull with the deputy's pistol after he saw Wortham fire two shots at Sarah Lewis and one at Margaret Stinson. Cruse refused to talk to newspaper men.

Brown and Stevens

"Chink's" Laundry Robbed by Oily Orientals."

Over-expansion, it is believed, will account for the failure of Brown and Stevens' Bank in Philadelphia last week.

This institution, largest private bank of the race, with 6,000 depositors and one million in liabilities, carried down with it also the Cosmopolitan State Bank with 3,000 depositors and \$112,000 liabilities. This latter bank had \$38,000 in deposit with Brown and Stevens.

Whether the events of last week are to be chronicled as a disaster involving the loss of hundreds of thousands of dollars or only a temporary set-back, to be remedied by reorganization and readjustment must await the report of the chief State bank examiner.

This examiner's preliminary report discloses that Mr. E. C. Brown was head of both banks, and while no fraud was perpetrated in depositing funds of Cosmopolitan Bank in the private bank of Brown and Stevens, the procedure showed poor judgment on the part of the Cosmopolitan directors.

Brown and Stevens' funds were known to have been invested in various real estate and theatrical enterprises. One of these, the Douglass Theatre, Baltimore, built at a cost of \$350,000, has been dark for nearly two years.

Immediate cause of the run on the banks and consequent receiverships has not been disclosed. There is evidence, however, that when the emergency arose Brown and Stevens were unable to liquidate rapidly enough to meet the demands of depositors.

The remedy for the entire situation seems to lie in avoiding the over-expansion and investment in "frozen assets" or the part of private banking institutions and when possible application for State charter, which would bring about the careful scrutiny and advice of banking experts.

SECOND NEGRO BANK FORCED TO CLOSE

Cosmopolitan Taken Over by
State Department Because
of Tangled Affairs.

INVOLVED IN OTHER CRASH

Head of Brown & Stevens Was
Also President of State
Institution.

Alleging that the directors of the Cosmopolitan State Bank, No. 2014 Ridge avenue, had failed to straighten out the affairs of that institution, Peter

W. Cameron, Secretary of Banking, yesterday placed George W. Brown, senior bank examiner of the State Banking Department, in charge of the institution. The bank is patronized and controlled by colored people.

E. C. Brown, a member of the banking firm of Brown & Stevens, for which a receiver had recently been appointed to liquidate its assets, is president of the Cosmopolitan State Bank, and the intertwining of the assets of the Cosmopolitan Bank with ventures of the private banking firm caused the State banking head to take immediate action.

According to Examiner Brown, the Cosmopolitan was carrying a substantial balance with Brown & Stevens. When asked whether the law had been violated, due to the fact that the president of the bank had used its assets for deposit with another company of which he is a member, Examiner Brown said that it had not, but that the colored banker had used "bad judgment."

Calls Bank Insolvent.

When further questioned on the status of the bank yesterday, Examiner Brown said: "The Cosmopolitan is insolvent or I wouldn't have taken possession this morning. At an early date I will make a complete report of my audit, possibly some time next week."

"I am not prepared at this time to

make a statement on Brown & Stevens' bank, as several days are needed to complete my audit there. It will, however, substantially help the Cosmopolitan pay its depositors dollar for dollar as Brown & Stevens can make good on the amount the bank deposited with them."

According to E. H. Vaughan, cashier of the bank, the Cosmopolitan was in good shape yesterday, notwithstanding the fact that Brown and Stevens were majority stockholders, until the depositors learned that about \$38,000 of the bank's money was on deposit with Brown & Stevens. "This precipitated a run on the bank," he said, "and to meet this run we were making arrangements to lift a deposit of \$60,000 from the Girard Trust Company."

"However the bank examiner had started a search into the affairs of the bank, with a result that we were ordered to raise the amount of cash deposited with Brown & Stevens. We were unable to do this because the assets of that company are tied up in real estate investments, and cannot be liquidated until a market for the holdings can be found. We were given until 9 A. M. this morning to raise the money, but as this was impossible, Mr. Brown appeared and closed our doors."

"It is most unfortunate for us," he concluded, "for the run on our bank was due to the fact that Brown & Stevens were forced to close their doors, and nothing else. However, as matters stand, although the stockholders of the bank may lose heavily, I am confident that the depositors will be paid off dollar for dollar. Should Brown & Stevens be able to pay back the \$38,000 owed the bank, then I can predict that no one will lose anything."

Officers of the Cosmopolitan Bank are listed as E. C. Brown, president; A. F. Strickland, vice president; George I. M. Lawrence, vice president, and E. H. Vaughan, cashier.

PHILADELPHIA PA. FEBRUARY 11 1925 CLOSE NEGRO BANK AFTER DEPOSITORS STORM ITS OFFICE

Rumor That It Had Invested in
Marcus Garvey Schemes
Causes Panic.

PASTORS' PLEAS SAVE DAY

Big Meeting of Investors Results
in Remarkable Show of
Confidence.

OFFER TO PAWN HOMES

Hearing That It Is Solvent, Negroes Pledge Their Aid to Save It.

"Frozen" assets are blamed for the closing of the private banking institution of Brown & Stevens, at the corner of Broad and Lombard streets, which closed its doors yesterday afternoon after Monday, but gained to such proportions yesterday that the State Banking Department took a hand. This is a firm of Negro bankers, said to be the largest in the country.

By "frozen" deposits in banking circles is meant that the assets of the bank are invested in ventures which cannot immediately be turned into cash and paid to the depositors.

For a time yesterday it appeared that there might be trouble at the bank's main office, and the two branches, Fifty-fourth and Market streets, and Ridge and Germantown avenue, and that some of the officers and clerks might meet with bodily harm.

Will Pay Dollar for Dollar.

This was averted, however, by a meeting held yesterday afternoon in Knights of Pythias Hall, Seventeenth and Lombard streets, at which the angry depositors lost their wrath when they were told that in time the bank would pay dollar for dollar, and the meeting concluded with the depositors, led by two Negro pastors of churches in the section, pledging \$150,000 to safeguard the credit of the institution. More than 900 persons attended the meeting and some of them offered to sell their homes to save the bank, the only colored one in the city, from destruction.

Late yesterday afternoon, Judge Davis appointed William R. Smith, deputy State secretary of banking, receiver for the temporarily embarrassed institution, after a conference with Fred Taylor Pusey, Deputy State Attorney General, counsel for the receiver. As the appointment was not made until after banking hours yesterday, it will be confirmed from Harrisburg today.

Various rumors are afloat as to what caused the run on the bank. One of the stories being told in the downtown section, where most of the 6000 colored depositors live, is that the bank invested heavily in the Black Star Steamship Company, the pet project of Marcus Garvey, who was just recently sent to jail. When word of Garvey's sentence spread through the section his name was linked up with the affairs of the bank and it is said that some of the large depositors became panicky and started the run. On Monday a big depositor is said to have gone to the bank for

purpose of drawing out his entire deposit of \$20,000 in cash, and when they told him he would have to wait a day or two he spread word around the neighborhood and gradually the depositors made their way to the bank.

Address Crowd From Steps.

Very few went there on Monday, but yesterday morning after all sorts of rumors had been afloat all night they made their appearance bright and early. All through the night the bank officials converted the easier negotiable of their assets into cash to meet the demands expected when the bank opened in the morning. By the time the bank opened the crowd was so large that E. C. Brown, president, and Andrew T. Stevens, vice president, decided not to try to pay the depositors. From the door of the institution they addressed the crowds and promised them that all would be paid, but that it could not collect on its assets in time to pay everyone on the spot.

The bank has deposits of more than \$750,000 and its assets and liabilities amount to about \$1,000,000 each, according to Colonel Pusey.

"Confidence in the institution began to shake with the recent failure of the Dunbar Theatre," Mr. Pusey told Judge Davis. "The bank was heavily invested in the theatre. The receivership is an entirely voluntary one."

B. G. Collier, of Nineteenth and Lombard streets, grand chancellor of the Knights of Pythias, led the crowd of depositors into the hall where the meeting was held.

The first pledge for support was made by Rev. C. A. Tinley, pastor of the Methodist Episcopal Church at Broad and Fitzwater streets, who told the crowd that he would give \$25,000. This was followed by other amounts large and small until pledges for \$150,000 were made.

Mr. Brown, the president, wept as he thanked his friends for their confidence. "I assure you all," he said earnestly, "that not one cent of your money will be lost. Our investments are sound and we will pay every depositor's dollar for dollar."

BROWN & STEVENS BANK, PHILA., IN HANDS OF RECEIVERS

Philadelphia, Pa.—William R. Smith, Deputy Secretary of Banking, was appointed temporary receiver of the private bank of Brown & Stevens Tuesday by Judge Davis. The bank, with approximately 6,000 depositors and deposits of \$750,000, had closed its doors earlier in the day after a "run" which started Monday.

Colonel Fred Taylor Pusey, who was named as counsel for the receiver placed the bank's assets and liabilities at about \$1,000,000 each. A large part of the assets, he said, was invested in real

Depositors who had been clamoring outside the closed doors of the bank for their money later pledged \$150,000 for their money to safeguard the credit of the bank. President Brown told them the every depositor would receive "dollar for dollar."

BANK EXAMINER FLAYS

BROWN AND STEVENS

PHILADELPHIA, Pa., March 27.

—When the banking concern of Brown & Stevens went crashing on the rocks of failure a few weeks ago there were many thousands of investors who hoped that somewhere in the debris would be found enough money to somewhat reimburse their losses. When all of the assets of the bank had been listed and it was found that the bank would pay about fifty cents on the dollar some of the more daring of the depositors entered suit in an effort to determine what the personal assets of Brown & Stevens amounted to. As a result of that suit it has been found that these two financiers were men whose wealth was a conjecture of the mind.

Two cars of Stevens were sold for less than \$1,100. The Pierce-Arrow car was not sold as it belonged to his wife. Colonel Pusey, counsel for the State Banking Department, in commenting on the way in which the banking business was conducted, said "I have never experienced a situation where approximately \$1,000,000 was handled with less thought of consequences or of safety."

"The firm has about \$800,000 tied up in New York realty. This property is heavily mortgaged. It seems whenever they wanted to raise money they placed another mortgage, and they virtually controlled the mortgage company which granted the notes. The assets and liabilities are so jumbled that it will require the utmost care in unraveling the situation. As to what depositors will realize on their money, I cannot say. It will be less than was hoped at first."

"Stevens was a bachelor, who drew out his \$50 a week salary, while Brown did all the manipulating."

Douglass Theatre Sold
The nearly half million dollar Douglass Theatre of Baltimore was sold at public auction last Friday to J. Porter of New York, for \$125,000. \$400,000 he had made on realty in Newell and Company were the investors.

The handsome house was erected by the Douglass Amusement Company of which E. C. Brown was president, and was opened on February 13, 1922. Much of the stock sold to finance the building of the structure was subscribed to by Baltimoreans. The price was \$10 per share and 7 per cent par stock bought on the deferred payment plan and not unpaid caused investors some severe loss.

E. C. Brown Withholds Statement

For Present On Advice Of Counsel

Independent Investigation By Courier Reveals Extent of Holdings Turned Over to Banking Commission.

PHILADELPHIA, Pa., May 28.—The statement of Edward C. Brown, president of the defunct banking house of Brown & Stevens, which was published in The Courier this week, is being withheld by Mr. Brown, temporarily, on the advice of his counsel, who feel that it would not be ethical to publish such a statement prior to the proceedings, which not show that it was a second-hand car; in fact, the one which had been turned back to the company by Mrs. Brown. At the time the Browns turned their cars in to the commission's received the latter refused to accept the Pierce Arrow because it was being bought on a lease and had not been paid for. In consideration of their past business the company decided to let Mrs. Brown have the car, with the understanding that she might pay the balance whenever possible.

However, a recent investigation by The Courier in an effort to establish the truth or falsity of certain rumors as to concealment of assets, etc., by E. C. Brown has revealed certain interesting things, and the accompanying figures are authoritative.

The bank commission records will show that to date Edward C. Brown, of Brown & Stevens, has assigned to that body as PERSONAL assets the following:

\$30,000 worth of stock in the Payson Apartments, New York.
\$218,000 stock in the Douglass Theatre, Baltimore.
\$51,000 stock in the Lincoln Theater, Newport News, Va.
\$25,000 of Metropolitan Bank stock, Norfolk, Va.
\$250,534 of his own money on deposit in Brown & Stevens' bank.

This makes a total of over \$800,000 of his personal property turned over to the banking commission, and does not represent any of the combined assets of Brown & Stevens.

The nearly half million dollar Douglass Theatre of Baltimore was sold during the years 1918-22 Mr. J. Porter turned into the bank over \$125,000. \$400,000 he had made on realty in Newell and Company were the investors.

Contrary to the impression which has been foisted on the public, the Douglass Amusement Company of which E. C. Brown was president, and was opened on February 13, 1922. Much of the stock sold to finance the building of the structure was subscribed to by Baltimoreans. The price was \$10 per share and 7 per cent par stock bought on the deferred payment plan and not unpaid caused investors some severe loss.

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Court proceedings last week, which showed that Mrs. Brown had purchased a Pierce Arrow sedan did not proceed to avoid eminent domain proceedings. The adjoining properties had been sold to the city to furnish ground for a school, and this property was part and parcel of the tract needed.

After the bank's affairs are arranged there will be a reorganization, according to Brown. It is understood that he and others holding office at the present time will be renamed to conduct the bank's business.

To Be Reorganized
After the bank's affairs are arranged there will be a reorganization, according to Brown. It is understood that he and others holding office at the present time will be renamed to conduct the bank's business.

"We took this action as the easiest way to protect everyone concerned," said Brown. "After sixty days we shall reorganize and start over again."

Eight hundred depositors in the bank earlier in the day had expressed confidence in Brown and his helpers and had offered to back him with financial aid if necessary.

Deposits totaling \$15,000 were drawn from the bank on Monday. Announcement was made that all claims would be paid at 10 A. M. yesterday, but when several hundred depositors assembled at that time no money was paid out.

B. G. Collier, grand chancellor of the Knights of Pythias, who is one of the largest depositors, explained to the crowd that he and Brown, with Andrew T. Stevens, vice president, and several other large depositors, had agreed to turn over the affairs of the bank to a committee of the depositors.

Many of the depositors stayed about the building, and a short time later W. E. Novatsoed, an aide of Collier's, asked the people to follow him to the Pythian Hall, Broad and South streets where a meeting would be held for the purpose of deciding on the running of the bank.

800 at Meeting
More than 800 Negro depositors were at the hall when Tanner Moore, former Dean of the School of Education at Howard University, began to speak. Many of the men believed they were losing their money which they had saved.

Moore's appeal won the day for Brown and Stevens. "You must realize that Brown is a Negro," he said. "If we don't get behind him with all our strength we shall not be getting behind our own race. He has done much to better the condition of the Negro in Philadelphia. We can't go back on him now!" "If there is one movement you should back up with all your resources, it is the movement to save this man and the bank."

Kater streets, offered to sell his business and turn the money over to the bank. Others made similar offers. The meeting was closed, and Brown and Stevens returned to the bank. The receivership plan was then decided upon.

**NEW YORK CITY POST
FEBRUARY 14, 1921
NEGROES' BANK CLOSED**

Affairs Tangled With Defunct Philadelphia Firm, State Charges

Philadelphia, Feb. 11.—The Cosmopolitan State Bank, a small institution operated by negroes, today closed its doors on order of Peter G. Cameron, State Banking Commissioner, after State bank examiners were said to have found its affairs tangled with those of the negro banking house of Brown and Stevens, which recently went into a receivership.

The last financial statement of the bank gave its deposits as \$140,000, capital \$50,000 and surplus \$18,000.

NEGRO BANK TO GET SIXTY-DAY RECEIVER

Deputy Banking Commissioner Will Handle Brown & Stevens' Private Institution

HELP OFFERED PRESIDENT

The Brown and Stevens private bank, Broad and Lombard street, will be closed sixty days while William Smith, deputy banking commissioner, as receiver, straightens out its affairs, it was announced last night.

E. C. Brown, a Negro who is president of the company, other officers and some of the depositors, went to Fred Taylor Pusey, attorney for the State Banking Department, yesterday to ask his co-operation.

After the conference it was decided that the most satisfactory arrangement would be to start action to have a receiver in charge until the bank's affairs are arranged.

Columbia, S. C., Record

Oct 18 1925

VICTORY BANK IS AIDING RACE

Negro Institution Here Has Experienced Healthy Growth

The Victory Savings Bank is an institution which has an important place in the development of Columbia and the state for its services are for the colored people of the city and community and, as such, is playing a prominent part in the making of sturdy and thrifty population among that race.

This financial institution, located in the colored business section of the capital city is four years old, having been established October 1, 1921. In this time the bank has shown a steady and material growth an evidence that Columbia offers fine opportunities for the development of business industry among its colored citizens.

The authorized capital stock of the Victory Savings Bank is \$25,000. The bank shows an increase of over 300 per cent. since its organization in deposits. The loans show an increase of over 200 per cent.

The officers of the institution are chosen from some of the most progressive business and professional men of the race, men who are also interested in the development of their city, and therefore Columbia boosters. W. H. Harvey, president of the bank, is also manager of the South Carolina branch of the North Carolina Mutual Life Insurance company. D. R. Starks, first vice president, is connected with various benevolent orders. G. Lee Ratliff, second vice president, is a large property owner. G. L. Floyd, cashier, is a former merchant. J. H. Johnson, assistant cashier, has been a regularly ordained minister of the Methodist Episcopal church for the past 33 years.

The directorate is also made up of progressive colored citizens, including W. H. Harvey, N. A. Jenkins, N. J. Frederick, C. E. Stephenson, L. M. Dauffels, J. E. Brunson, Green Jackson, G. Lee Ratliff, L. A. Hawkins, D. R. Starks, A. P. Williams, J. H. Goodwin, R. S. Wilkinson, J. E. Dickson, W. J. McCormick, and J. H. Goode. N. J. Frederick is also attorney and counselor for the bank.

The bank is conducted on a sound, business-like basis as shown in statements issued from time to time. Especial attention is paid the savings department and here the men, women and children are encouraged to put away part of their earnings for preparation against the rainy day. Thrift is taught its depositors.

A Christmas savings club is another feature maintained by the bank.

In a recent statement it was shown that there were individual deposits, subject to check, amounting to \$41,758.62. In the same statement the savings deposits were shown at \$29,833.77.

The loans and discounts are given at \$69,887.51.

The colored race has on many occasions shown its hearty spirit in co-operating with the white people in promoting those interests for which all are working with one aim—the advancement of their city, community, state and nation. In this the Victory Savings Bank is doing its part. It is teaching high ideals to its patrons and its officers and directors are among the leaders in any activity which stands for the advancement and progress of the community.

FORMER BANKER IS GRANTED A NEW TRIAL

John Mitchell Jr. Wins Verdict on Appeal to Supreme Court

RICHMOND, Va., March 26.—John Mitchell Jr., former president of the Mechanics Savings Bank of this city, convicted of false and fraudulent entries with intent to defraud, will be given a new trial, the Supreme Court of Appeals reversing the case on several grounds.

The original indictment against Mitchell contained 18 counts. These were reduced to three. On a motion to quash two of these, charging larceny of \$19,000, were eliminated, leaving the matter of the entries to be determined by the jury.

The Appellate Court Thursday held that having charged that the entries were "false and fraudulent," it was necessary for the Commonwealth to prove this, and that on the face of the record there was failure of proof on this point. It was also held, among other things, that the trial court's instruction on the weight of character evidence was erroneous.

Banks Consolidate

Newport News, Va.—The Brown Savings Bank and the Penny Nickel and Dime Savings Bank were consolidated last week.

All business will be transferred to the former institution.

SELL JOHN MITCHELL'S BANK FOR \$73,000

(By The Associated Negro Press)

Richmond, Va., August 26.—The closing chapter of the history of the once famous, but now defunct, Mechanics Savings Bank under the direction of John Mitchell, Jr., was written last Thursday when the building, which for nearly twenty years housed one of the first and greatest Negro banks in this country, was sold at public auction. This magnificent building, an imposing structure, at the corner of Third and Clay Streets, is modern throughout, being well arranged with splendid banking equipment and business offices on the two upper floors, a roof garden and elevator service.

The building brought \$75,300. It is believed that this money will be used to help pay off the 10,000 depositors who lost money when the bank failed three years ago.

SALVAGING THE WRECKS.

Two news items in the race press of a few weeks ago recall the failure of two financial institutions, which started off with most auspicious prospects but suddenly collapsed. One of these items noted the sale of the building in Richmond, which for nearly twenty years housed the Mechanics Savings Bank, of which John Mitchell, Jr., was the first and only president. This building was described as an imposing modern structure at the corner of Third and Clay streets, with adequate banking equipment and business offices on the two upper floors, a roof garden and elevator service. The sale at public auction brought seventy-three thousand dollars, which should help toward paying off the ten thousand depositors, who lost their money when the bank was closed three years ago.

The other item related to the public sale of the banking fixtures of Brown and Stevens, a Philadelphia concern, whose failure was of more recent date. This sale realized the sum of four thousand and seven dollars, being far above the value set by the appraisers, which was \$1,264. This is unusual, as banking fixtures rarely bring at forced sale anything like the value placed upon them. If the other assets of this concern realize an equally high figure, the creditors may be agreeably surprised by the payment of a larger proportion of their claims than was first expected.

It has been a weakness of a few of our financial institutions to carry the amounts paid for property used in their business as an asset at its original value or nearly so. Some of their financial statements are made to show a surplus of this device. It is rare that property of this kind, when sold at a forced sale, gets its actual value or even any considerable fraction of it. Further, it should be regarded as an overhead expense

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We do not know properties sold pl two institutions in they realized the f were carried on th erty of this kind i task, but a necess of the affairs of th The collapse of carries a lesson f gage in the prom tions. Such colla and over-extensio business world as attention. The tr help toward payi the ten thousand groes have progr mental stage, that be attributed not o

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it. Real estate, ling, if it can be oses, may have a ould be taken to hat can be realized. great a figure these the assets of the ation, but we trust ount at which they s. Salvaging prop- cult and expensive o to the settlement tion.

of these concerns se who would en- of financial institu- om over-confidence so common in the act but momentary n these cases was tutions among Ne- beyond the experi- failure is liable to the individuals di- he race as a whole. in the many exist- ained firm despite n encouraging as- tion.